

I am writing to express my hope that you will vote no for HB06589, which is intended to expand protections for mobile home owners in mobile home communities, including rent control, but will have the opposite impact.

Rent control has been proven to fail tenants and landlords. First off, any rent control that forces revenue increases to lag behind cost increases is a legislative setup to foist bankruptcy on the installment method upon community owners. Secondly, rent control forces landlords and tenants to square off in an adversarial relationship. Fights ensue over capital expenditures and leave community owners caught between required improvements to physical plant and tenants who don't want increases. It also leads to community owners doing the absolute minimum of capital improvements and maintenance, because they are caught between rising expenses and capped income. Lastly, rent control, if inevitable, should always come with municipal property tax caps. In Connecticut, municipal property tax increases account for most of rent increases. Add to that, unlike Massachusetts where mobile homes are taxed \$12/yr, these homeowners are taxed as though they own a stick built home. Lastly, rent control will have a severe chilling effect on the development of new communities, thereby slowing the unit growth of affordable housing.

Manufactured mobile home communities have existed since the mid 20<sup>th</sup> century; playing an important role in providing spacious, affordable housing along with the privacy of your own four walls. Connecticut has been at the forefront of helping landlords and residents create a harmonious relationship. Community owners generally understand that our landlord-tenant relationship is unique in the residential world in that the residents frequently own their own homes and lease the land. Two years ago, our largest Connecticut based community owner sold their communities to a publicly traded real estate investment trust. They proceeded to raise rents \$35 dollars; a larger increase than the \$5-20 increase that most Connecticut-based owners employ. Although that increase was more than most, it actually reflected the fact that that particular community lagged the market for mobile home lot rents in general, but more so given the high-end amenities that exist there (pool, tennis courts, club house, etc.). While apartment rents have increased 14% in the past year, rents for mobile home lots have increased less than half that rate in the same period. Most community owners understand that we are partners with our owner-residents; that they generally have fixed funds for rent and maintenance and, if we charge too much for rent, then home maintenance will decline. The ensuing lack of curb appeal leads to vacancy, community failure and a decline in the value of residents' homes.

Connecticut's rent and housing problems come down to constrained supply. If we want rents to moderate and we want to attract employers, we must increase the supply. All recent studies still point to a housing shortage. That shortage does not exist for lack of apartment builders. The shortage exists because it can take five years or more to get an approval for a development in Connecticut that can be built in a year. The shortage exists because many towns do everything they can to prevent new construction. The many and disparate Connecticut local planning and zoning rules and regulations have been finely honed to stymie construction. "Not in my backyard" has become the rule, not the exception. C.G.S §8-30(g) has been the prime force to break through the logjam that is local zoning. Rather than rent control, we should expand 8-30(g) by increasing the percentage requirement in towns with sewer and water, so that more dense development can be incentivized in those locations. Increase the supply and you will moderate the rental costs.